

---

North Carolina

---

# 10 Year Plan



# To End Homelessness

February 2005  
Draft

## **Contents**

Introduction .....	2
A New Strategy – 10 Year Plan to End Homelessness .....	3
At a Glance .....	5
5 Year Action Plan .....	7
Goal I: .....	14
Goal II: .....	15
Goal III: .....	17
Goal IV: .....	19
Complimentary Programs and Policies .....	20



## Introduction

### **The ICCHP**

The Interagency Council for Coordinating Homeless Programs (ICCHP or Council) is an advisory group originally created by executive order in 1992 to advise the Governor and the Secretary of the Department of Health and Human Services on issues affecting people who are homeless or at risk of becoming homeless. The Council is charged with providing recommendations for joint and cooperative efforts to better meet the needs of the homeless people in North Carolina. The ICCHP is staffed by the Department of Health and Human Services (DHHS). In addition, a Homeless Policy Specialist, based in the DHHS Secretary's Office, works with the Council and its member agencies on special initiatives aimed at ending homelessness in North Carolina.

The ICCHP consists of 29 members who are appointed by the Governor and represent non-profit agencies serving the homeless, county and city government, the private sector, housing authorities, the state departments of Administration, Commerce, Correction, Health and Human Services, Juvenile Justice, Public Instruction, the Community Colleges System, the N.C. Housing Finance Agency and the North Carolina General Assembly. A seat on the Council is also reserved for a representative of homeless and/or formerly homeless people.

In addition to its appointed members, the Council also benefits from the participation of a number of agencies and organizations that attend Council meetings as "interested parties." The representatives of these agencies and organizations provide valuable input to the Council in its deliberations and often supply staff assistance with Council sponsored or endorsed activities. Current interested parties include representatives of the Office of Citizen Services, the Division of Aging and Adult Services and Adult Services, the Division of Vocational Rehabilitation Services, the DHHS Office of Long Term Care and Family Services and the N.C. Coalition Against Domestic Violence.



## A New Strategy – 10 Year Plan to End Homelessness

Despite the best efforts of the ICCHP and homeless service agencies across the state, the numbers of people experiencing homelessness in North Carolina has continued to increase.

North Carolina has not been alone in this trend – a trend that many will acknowledge but few claim to truly understand. In recent years, however, efforts have been made to gather and analyze data about who is experiencing homelessness, how people access homeless and mainstream services, and when and how people exit the homeless service delivery system. When possible, the research has tried to help communities better understand if there are any factors that might clarify whether or not some extremely low income people are more vulnerable to homelessness than others. The research has also focused on analyzing the effectiveness of various prevention and intervention strategies.

The results of this research provide states with information they can use to create plans to strategically use resources in ways that should be effective enough to turn the tide, leading to marked decreases, rather than increases, in the number of people experiencing homelessness. Furthermore, the research highlights interventions that have proven to shorten the length of time people are homeless if preventive measures haven't worked.

For example, data that highlights the connection between people discharged from publicly funded systems moving into the homeless service system challenges states to change discharge planning practices as a strategy for homelessness prevention. Likewise, the Housing First - Housing Plus and Rapid-ReHousing interventions have outcome data that documents their effectiveness at ending homelessness quickly for individuals and households that might otherwise spend years on the streets or in our homeless service system. Other research has drawn attention to the benefits of improving homeless people's access to mainstream services and income supports.

The ICCHP membership, with its broad participation from State agencies, private and nonprofit sectors, local government and the legislature, is well positioned to use this new research and data to coordinate the development and implementation of the North Carolina 10 Year Plan to End Homelessness. In 2003 the ICCHP began gathering information to use in creating a draft plan. Beginning early in 2005, the ICCHP is making the draft plan available for public comment. Since the plan covers 10 years of activities, it will remain a working document, fluid enough to incorporate additional research and data that can be used to inform strategies.

The following pages include a brief summary of the N.C. 10 Year Plan to End Homelessness and the draft document. The public is encouraged to comment on the draft by contacting Martha Are, the DHHS Homeless Policy Specialist, at 919-733-4534 or [martha.are@ncmail.net](mailto:martha.are@ncmail.net). The initial round of comments will be accepted through May 31st, 2005. These comments will be used to inform the next iteration of the Ten Year Plan. Additional comment periods will be posted in the future.



## At a Glance

The North Carolina Interagency Council for Coordinating Homeless Programs (ICCHP), appointed by Governor Easley, is aggressively shaping homeless policy in our state through the creation of a 10 Year Plan to End Homelessness. The North Carolina Plan builds on new research and new service designs with documented outcomes that give our state tools for working with what had seemed to be an intractable problem. The Plan provides a policy framework for maximizing existing resources and creating new tools to provide needed housing with appropriate services for preventing and ending homelessness. The Plan also identifies strategies for reducing the connection between the back door of publicly funded systems and the front door of our homeless service system. Moreover, the ICCHP is networking with local communities as they develop local plans to end homelessness, striving to maximize these efforts and increase the effectiveness of both the state and local plans.

**Vision:** End Homelessness in North Carolina

**Mission:** North Carolina will significantly reduce the number of people experiencing homelessness across the state. We will accomplish this by:

- Pursuing aggressive prevention strategies; and
- Expanding access to safe, permanent affordable housing and coordinated support services, tailored to individual needs.

### Guiding Principles:

- In an effort to maximize federal resources available to local communities, initial efforts will focus on federal priorities regarding people who have experienced chronic homelessness. Other priorities include homeless families, homeless young adults, victims of domestic violence, and people experiencing homelessness after discharge from publicly funded systems.
- We will work towards solutions that attempt to equitably balance the interests of the stakeholders involved.
- We will strive to find solutions that are realistic for our state.
- We will recommend solutions which have been proven elsewhere or which have a reasonable likelihood of being successful.
- We will maximize use of public and community resources.
- The ICCHP will assume overall responsibility for coordination of implementation of the plan.

**Goals of the North Carolina 10 Year Plan to End Homelessness:**

*Increase state level commitment and leadership to ensure sustained political will for development and implementation of the N.C. Plan to End Homelessness:* Meeting this goal will involve maximizing the support of key leadership in all arenas, at the state and local level.

*Implement aggressive prevention strategies:* Meeting this goal will involve discharge planning from publicly funded institutions as well as targeted assistance to households with housing cost to income ratios which put them at immediate risk of homelessness.

*Develop more Permanent Supported Housing:* Meeting this goal will involve creation and preservation of housing units, partnered with appropriate services, targeted to households with extremely low incomes.

*Local communities across N.C. will develop local 10 Year Plans to End Homelessness:* Meeting this goal requires that at least 20 communities across the state will develop 10 Year Plans to End Homelessness that are compatible with and build upon the N.C. 10 Year Plan to End Homelessness.



## 5 Year Action Plan

### *Preliminary Benchmarks for the NC 10 Year Plan to End Homelessness*

The Interagency Council for Coordinating Homeless Program (ICCHP) believes that the North Carolina 10 Year Plan to End Homelessness and its 5 Year Action Plan must be based on research and data. At the same time the ICCHP recognizes that North Carolina does not yet have some of the research and data needed to set final goals and identify funding mechanisms to accomplish those goals. Therefore, a portion of the draft 10 Year Plan lays out a strategy for conducting the research needed to establish baselines, set final goals, identify strategies for meeting those goals and commit needed resources. As that research is completed and better data is available all short and long-term goals and strategies will be appropriately revised.

In the meantime, the baseline of information currently available does give enough direction to set reasonable preliminary benchmarks for initial 5 Year Action Plan. Therefore, the ICCHP is setting some five year goals based on the data already available and identified initial priorities. Preliminary resource identification is based on existing known resources and current policies.



## **Benchmarks**

### **Benchmark I : Create 1250 supported housing tenancies for persons with disabilities who are experiencing long term homelessness.**

People who have disabilities and are experiencing long term or recurrent episodes of homelessness make up a relatively small percentage of the total homeless population. National data suggests that approximately 10 – 15% of people identified in an annual unduplicated count would fall into this category. In many cases these persons are the most vulnerable of the homeless population and consume a disproportionate share, estimated to be 50%, of all resources targeted to the homeless population. In addition, these persons use significant mainstream resources. Moving currently homeless people with disabilities into supported housing is a cost effective intervention that will produce the desired result of long term stability. While we do not have adequate data to determine the total number of supported housing units needed to end homelessness among the chronically homeless population within 10 years, there exists adequate data to ensure that 1250 tenancies is a conservative estimate to meet the need.

Much of the state, though not all, has rental markets with higher vacancies than in recent years – a softening rental market. In those communities many tenancies can be created using existing units. However, some areas of the state continue to have very tight rental markets, and tenancies cannot be created without new supported housing units. Furthermore, the 10 year plan should be prepared for the probability that in future years the rental market will tighten up again. It is strategic to develop new units of supported housing that will be targeted and accessible to end and prevent homelessness in future years when existing rental units are not available. Thus, the ICCHP recommends that 50% of new tenancies be tied to the creation of new supported housing units.

### **Benchmark II: Create 1250 tenancies to prevent homelessness for persons being discharged from publicly funded systems.**

National data documents that over 50% of people who experience homelessness have been discharged from one or more publicly funded systems - including hospitals, treatment facilities, jails, prisons, foster care, and juvenile justice facilities. Persons who have disabilities, have extremely low incomes and are homeless at the time of discharge are particularly vulnerable to returning to these publicly funded systems and cycling back into homelessness. Discharging these persons directly into permanent supported housing, and for some populations transitional housing with appropriate services, will not only prevent homelessness but also reduce recidivism. While we do not have adequate data to determine the total number of supported housing units for persons exiting publicly funded systems that will be needed to end homelessness among that population within 10 years, there exists adequate data to ensure that 1250 tenancies is a conservative estimate to meet the need.

**Benchmark III: Create 1000 tenancies for homeless families and single persons without disabilities who are experiencing homelessness.**

Homeless families and single persons without chronic disabilities continue to make up the largest sector of the homeless population. Additional tenancies must also be created to reduce homelessness among these subpopulations within the homeless community. While we do not have adequate data to determine the total need for permanent housing for homeless families and single persons without disabilities that will be needed to end homelessness among that population within 10 years, there exists adequate data to ensure that 1000 tenancies is a conservative estimate to meet the need.

**Benchmark IV: Create 300 new shelter beds in communities with no shelter facility, and renovate 300 shelter beds in communities with existing facilities.**

Many communities, particularly in rural areas, have no existing homeless shelter capacity, or no shelter for certain sub-populations. For example, an area may have a shelter for men but nothing for women. These communities should explore the development of new homeless shelters to ensure that people who experience homelessness do not have to leave their home community while appropriate permanent housing resources are being identified. Given existing shelter resources, 300 beds should be added over the next five years.

Furthermore, until adequate supplies of supported housing and affordable housing are present, communities should support existing shelter beds. In some cases, renovations of existing facilities may need to occur. Resources should be identified to renovate and/or repair 300 shelter units.

## **Costs**

With data currently available all cost projections are still estimates, but tenancy in a supported housing unit for one year – including housing cost and support services, is estimated at approximately \$15,000 per unit. Clearly, there is significant variation in housing costs for different communities across our state, and services costs for different residents. Furthermore, in most cases, services cost decline over time, so service costs for the first year of a residents life in supported housing is likely to be higher than service costs for the third year. These factors, and others, influence the annual cost of tenancy.

The cost of creating new units is a one time expense. The NC Housing Finance Agency, which has administered a Supportive Housing Development Program for 10 years and the Low Income Housing Tax Credit program for over 15 years, estimates that the current average cost of developing both a market rate and a supportive apartment unit is around \$75,000. It is estimated that this cost will increase by about \$1,000 per year.

The following table provides preliminary estimates of funding needed to meet Benchmarks I and II.

Year	# of New Tenancies	Total Tenancies	Estimated Tenancy Costs	New Units (50% of new tenancies)	Estimated Cost Per New Unit	New Unit Estimated Cost	Tenancy & New Unit Estimated Cost
2005	500	500	\$7.5 M	250	\$75,000	\$18.75 M	\$26.25 M
2006	500	1000	\$15.0 M	250	\$76,000	\$19.0 M	\$34.0 M
2007	500	1500	\$22.5 M	250	\$77,000	\$19.25 M	\$41.75 M
2008	500	2000	\$30.0 M	250	\$78,000	\$19.5 M	\$49.5 M
2009	500	2500	\$37.5 M	250	\$79,000	\$19.75 M	\$57.25 M
Total 5 Year Estimated Cost							\$208.75 M

Homeless families and persons without disabilities are more likely to require transitional, and not ongoing, services. Therefore, services costs are expected to diminish significantly in year two, and in many cases stop altogether in year three. On the other hand, homeless families will usually require larger, more expensive rental units, increasing the housing cost associated with their tenancies. Until more research is done to clarify first year and ongoing costs, projections are rough estimates. (Projections do not account for future inflation.)

The following table provides preliminary estimates of funding needed to meet Benchmark III.

Year	# of New Tenancies	Total Tenancies	Estimated Tenancy Costs	New Units (50% of new tenancies)	Estimated Cost Per New Unit	New Unit Estimated Cost	Tenancy & New Unit Estimated Cost
2005	200	200	\$3.0 M	100	\$75,000	\$7.5 M	\$10.5 M
2006	200	400	\$5.6 M	100	\$76,000	\$7.6 M	\$13.2 M
2007	200	600	\$7.8 M	100	\$77,000	\$7.7 M	\$15.5 M
2008	200	800	\$10.0 M	100	\$78,000	\$7.8 M	\$17.8 M
2009	200	1000	\$12.2 M	100	\$79,000	\$7.9 M	\$20.1 M
Total 5 Year Estimated Cost							\$77.1 M

As with supported housing, there is limited data on costs associated with construction, renovation and operation of shelter beds. The following chart reflects averages from sample programs served by the Supported Housing Program of the Housing Finance Agency and the Emergency Shelter Grants Program administered by the Office of Economic Opportunity within the Department of Health and Human Services. In addition to typical cost variations, such as geography, costs of shelter development vary widely based on factors including square footage used for common space, offices and other non-residential purposes. The Housing Finance Agency estimates current shelter development costs at approximately \$9000 per bed. A random sampling of Emergency Shelter Grant facilities report an average daily operating cost of \$51, or \$18,615 annually, per bed. This sample includes winter only shelters, 24-hour shelters, domestic violence shelters, youth shelters, and transitional housing, and the figure includes operations and services. Projections are rough estimates until better data is available.

The following table provides preliminary estimates of funding needed to meet Benchmark IV.

Year	# of New Units (shelter beds)	Estimated Cost per Unit	Estimated Total Development Cost	Cost of Operating Support for New Units	Estimated Creation and Operating Cost for New Units	# of Units (shelter beds) for Renovation	Estimated Cost per Unit	Estimated Total Renovation Cost	New Units, Operating Costs and Renovation - Total Estimated Cost
2005	60	\$10,175	\$610,500	\$1.12 M	\$1.73 M	60	\$6,535	\$392,100	\$2.12 M
2006	60	\$10,425	\$625,500	\$2.23 M	\$2.86 M	60	\$6,735	\$404,100	\$3.26 M
2007	60	\$10,675	\$640,500	\$3.35 M	\$3.99 M	60	\$6,935	\$416,100	\$4.41 M
2008	60	\$10,925	\$655,500	\$4.47 M	\$5.12 M	60	\$7,135	\$428,100	\$5.55 M
2009	60	\$11,175	\$670,500	\$5.58 M	\$6.26 M	60	\$7,335	\$440,100	\$6.70 M
Total 5 Year Estimated Cost									\$22.04 M

## Resources

Most funding resources are restricted, or at least give a higher priority to either housing or services. Few are flexible enough to fund both. The following list identifies many known *funding sources that are already targeting homeless and/or extremely low income households*. In some cases estimated amounts available through those sources in upcoming years are specified, given existing federal and state policies.

### **Housing Resources**

#### **Homeless Assistance Grants/Continuum of Care –**

Communities across the state can apply for Homeless Assistance Grants using the Continuum of Care process. Given current HUD policy, which provides bonus dollars to communities applying for permanent housing projects, North Carolina can anticipate between \$8M - \$10M in new permanent housing project funding on an annual basis. These funds could be used for construction, renovation, acquisition, leasing, support services (Supportive Housing Program), or rental assistance (Shelter Plus Care).

#### **HOME**

The NC Housing Finance Agency has made a commitment to use some HOME dollars to match Supportive Housing Program applications that are applied for as part of the Continuum of Care process. A very rough estimate of the amount that local communities will seek for the purposes of matching Supportive Housing Program funds is \$2M - \$4M per year.

#### **Housing Trust Fund**

In recent years the Housing Trust Fund has received \$3M in general appropriations, and a significant portion of these funds have been targeted for supportive housing.

#### **Low Income Tax Credits**

Beginning in 2004 the NC Low Income Housing Tax Credit program required that developers establish 10% of project units to be accessible to persons who are at an Supplemental Security Income (SSI) income level. These units must also be linked to community services. Over 200 new units of supported housing will be created through this program out of 2004 tax credit awards.

#### **Resident Rent:**

Many of the people who move into the identified supported housing units will meet the eligibility requirements for accessing Supplemental Security Income (SSI) or Social Security Disability Income (SSDI). In some cases, individuals may work, at least part time. A portion of this income, usually 30%, would be used to offset housing (rent and utilities) costs.

**Gaps:**

The most serious gap for underwriting the development of new units, and for ongoing tenancy costs, is the lack of available rental assistance. Some communities may choose to use Continuum of Care funds to provide rental assistance, but others will not. Given current federal trends, North Carolina should not expect new Housing Choice Vouchers (Section 8 Rental Assistance) funds in future years. Funding for rental assistance or operating subsidies will have to be identified through new sources, or sources not currently being used for this purpose.

**Services Resources**

Many of the people who move into the identified supported housing units will have disabilities that meet the eligibility requirements for Medicaid support, and many needed support services can be billed to Medicaid. The exact dollar estimates are too difficult to predict at this time.

Other targeted resources, including Health Care for the Homeless programs and PATH may also be used to offset some services costs.

**Gaps:**

Service funding gaps will occur with persons who are not eligible for Medicaid, for services that are not Medicaid eligible, and to cover costs while individuals are in the Medicaid application process. New resources in the private and public sector will need to be identified to meet these gaps.



## **10 Year Plan to End Homelessness**

**Goal I: Increase State level commitment and leadership to ensure sustained political will for development and implementation of the 10 Year Plan to End Homelessness (N.C. Plan).**

**Strategy A: Educate top leadership to garner their support for the N.C. Plan.**

- A.1.** Educate State leadership, including the Governor's office, Department leadership, and the Legislature, about the connection between homelessness and the State budget.

**Strategy B: Maximize Leadership Support to designate staff resources and financial investments to implement the N.C. Plan.**

- B.1.** Educate and engage federal, state, and local government partners in the development and implementation of the N.C. Plan.
- B.2.** Educate and engage private sector and nonprofit sector community stakeholders in the development and implementation of the N.C. Plan.

**Strategy C: Develop needed North Carolina data to establish baseline and inform strategies.**

- C.1.** Identify and research data regarding discharge from publicly funded systems into homelessness.
- C.2.** Identify and research data regarding cost-benefit analysis of Permanent Supported Housing.
- C.3.** Facilitate statewide Homeless Management Information System capacity.
- C.4.** Facilitate annual statewide homeless point-in-time surveys.
- C.5.** Identify and research data regarding homeless access to publicly funded resources such as food stamps, Medicaid, and Supplemental Security Income (SSI).



**Goal II: Implement aggressive prevention strategies within communities and among publicly funded systems including the Department of Health and Human Services (MH/DD/SAS DSS/ Office of Educational Services), Department of Correction (Division of Prisons and Community Corrections), Department of Juvenile Justice and Delinquency Prevention, N.C. Sheriff's Association, N.C. Hospital Association, the Veterans Administration, and the U.S. Department of Justice.**

**Strategy A: Publicly-funded agencies will review and improve current policy and practice to reduce the number of people whose discharge/termination results in homelessness.**

- A.1.** The ICCHP and participating agencies review current policy and practices regarding intake, discharge, termination and release.
- A.2.** The ICCHP and participating agencies develop and implement improved policies and practices regarding intake, discharge, termination and release.

**Strategy B: Strategy B: Using strategic intervention, assure residential stability for people immediately at risk of homelessness, including victims of domestic violence and households at imminent risk of eviction or foreclosure.**

**Strategy C: Increase employment rates among people who are homeless or at risk of homelessness.**

- C.1.** Increase successful engagement in job training programs. Emphasize job training programs that lead to available employment opportunities and/or that provide guidance on how to keep a job once it is obtained.



- C.2. Engage in job development strategies that increase employment opportunities available to and accessed by people who are homeless or at risk of homelessness.
- C.3. Identify and encourage replication of current best practices.

**Strategy D: Develop and implement a “no wrong door” policy that ensures homeless people seeking assistance from any source will be properly linked to appropriate resources and services.**

- D.1. Ensure that public, private and nonprofit sector service and housing agencies are included in “no wrong door” policy implementation that includes information sharing, intensive referral and best practice replication.

**Strategy E: Develop Family Reunification strategies for use by publicly funded institutions and private sector services.**



### **Goal III: Increase stock of supported housing through production, preservation and rental assistance**

#### **Strategy A: Create units needed to provide permanent supported housing to homeless people and families, with initial emphasis on people who have experienced homelessness for an extended period of time (one year or more).**

- A.1.** Conduct a needs assessment of number and type of units needed to provide supported housing for North Carolina's long-term homeless population.
- A.2.** Create and preserve needed supporting units. Strategies include, but are not limited to: developing a state rental assistance program, increasing the desirability of available public housing, implementing best practices for housing search technology, supporting local and state level HIV/AIDS housing plans, addressing public sector statutory and regulatory barriers, and decreasing local community resistance to affordable housing projects.
- A.3.** Increase evidence-based best practices for supported housing, particularly Housing First/Housing Plus and Rapid Re-Housing models.
- A.4.** Review current state and local financial commitments to housing for homeless people and persons with disabilities.

#### **Strategy B: Increase coordinated income targeting of mainstream housing resources.**

- B.1.** Explore and implement strategies to increase participation in State and local Consolidated Plan processes by state agencies, homeless people, knowledgeable advocates and community members.
- B.2.** Maximize funding opportunities by exploring ways to package federal, state and local housing and link service dollars in targeted supported housing projects.
- B.3.** Identify local best practices and disseminate findings.

**Strategy C: Develop strategy for obtaining long-term flexible services funding and income supports.**

- C.1.** Maximize use of mainstream services by improving access by homeless people to Medicaid, Temporary Assistance for Needy Families (TANF), employment programs, and Supplemental Security Income, as well as interfacing with mental health reform efforts.
- C.2.** Maximize access to funding resources for services provided in homeless programs or in permanent supported housing programs by interfacing with mental health reform efforts and facilitating the use of other public funding.



**Goal IV: Local communities across N.C. will develop local 10 Year Plans to End Homelessness.**

**Strategy A: Support local government leadership in the 10 year planning process and provide technical assistance resources to assist them in development of and implementation such plans.**

**Strategy B: Support local homeless service providers and advocates in understanding and participating in the 10 year planning process and provide technical assistance resources to assist in development and implementation of such plans.**

**Strategy C: Support involvement in ten year planning processes by statewide sources of local leadership such as the United Way of North Carolina and Leadership North Carolina.**



## Complimentary Programs and Policies

As the Council and its interested parties have explored strategies for ending homelessness in North Carolina we were frequently presented with large scale recommendations that would not only benefit homeless people, but many other low-income people in our state. Since the 10-Year Plan to End Homelessness is about ending homelessness, and not the bigger issue of ending poverty, we have opted to leave many of these broad sweeping policy recommendations out of this report. However, below we have listed ideas that were raised. While we did not feel it was appropriate to include them in the N.C. 10-Year Plan to End Homelessness, we do want to acknowledge them as complimentary policies and programs that would, no doubt, help with prevention of homelessness and intervention with people currently experiencing homelessness.

- Foreclosure prevention for unemployed people.
- Access for all people, especially homeless people, to health care.
- Living wage jobs (universal living wage).
- Establish “at-risk” preference for those who move frequently or don’t have residential stability.



State of North Carolina • Michael F. Easley, Governor  
Department of Health and Human Services  
Carmen Hooker Odom, Secretary

The Department of Health and Human Services does not discriminate on the basis of race,  
color, national origin, sex, religion, age or disability in employment or the provision of services.  
February/2005

